



Whangaparaoa College

Policy: Financial Management

Revised: June 2018

- 1) Whangaparaoa College will secure and maintain a viable financial position.
- 2) With respect to financial controls, Whangaparaoa College will:
 - a. Comply with all financial reporting standards and financial legislation including the Public Finance Act, the Financial Reporting Act and current MoE guidelines.
 - b. Maintain a system of internal controls and procedures developed, implemented, monitored and annually reviewed to ensure good financial management practice and accurate financial planning and reporting.
 - c. Maintain an open procurement process with review, short-list and recommendations going to the Finance Committee / Board of Trustees for any contracts over 2 years, over a \$50,000 per annum threshold, or undergoing significant changes.
 - d. Monitor budget variances on a monthly basis and, if significant, report them to the Board.
 - e. Undertake yearly audits and review/consider for implementation recommendations made by the school's auditors.
- 3) With respect to theft and fraud prevention, refer to the Theft and Fraud Prevention Policy.
- 4) With respect to entertainment expenditure and gifts, refer to the Entertainment and Gift Policy.
- 5) With respect to cash reserves:
 - a. Whangaparaoa College will endeavour to maintain an optimal level of cash reserves in order to ensure that resources are effectively used on the learning environment and pursuit of learning excellence.
 - b. The key reasons for keeping reserves are to:
 - i. ensure we remain solvent
 - ii. allow us to cover necessary unforeseen expenses
 - c. Having considered the advice of the MoE Financial Advisor, our external accountant, the experience of other schools, our particular situation, and accepted calculations of solvency; our optimal level of cash reserves will be at or above \$400-\$500 per learner.
 - d. Management will alert the Finance Committee if cash reserves are likely to fall below our optimal level of cash reserves; and the Committee will recommend actions to the Board to rectify the situation.